

POVERTY

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- Address to Young Liberal Movement of Australia  
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"That sort of people. Are they really animals and clods, and beings of another order? I want to know so much."

"Why, there's a pretty wide separation between them and us," said Steerforth, with indifference. "They are not to be expected to be as sensitive as we are. Their delicacy is not to be shocked, or hurt very easily. They are wonderfully virtuous, I dare say. Some people contend for that, at least; and I am sure I don't want to contradict them. But they have not very fine natures, and they may be thankful that, like their coarse rough skins, they are not easily wounded."

"Really!" said Miss Dartle. "Well, I don't know, now, when I have been better pleased than to hear that. It's so consoling! It's such a delight to know that, when they suffer, they don't feel! Sometimes I have been quite uneasy for that sort of people; but now I shall just dismiss the idea of them altogether. Live and learn. I had my doubts. I confess, but now they're cleared up. I didn't know, and now I do know, and that shows the advantage of asking - don't it."

DICKENS, Charles. David Copperfield, Walter J Black, Inc., New York, Vol. 1, p. 389-390.

### What is poverty?

There is no agreed definition of poverty and the reason for this is that value judgements are inevitably involved in defining poverty.

In an attempt to provide us with an objective and scientific definition of poverty researchers have, however, constructed poverty lines. A poverty line consists of a minimum income level below which people are regarded as poor and above which people are regarded as non-poor.

Unfortunately, for the poor and Government, the researchers disagree and the result is that there are as many poverty lines as there are researchers. This has the effect of diverting researchers, welfare professionals and politicians into statistical and methodological disputes. In the meantime, the poor wait for the non-poor to decide whether or not the poor are really poor and, if so, what the non-poor are willing to do about it.

In Canada, for instance, there are three poverty lines variously established by Statistics Canada, the Canadian Council on Social Development and a Senate Standing Committee on Poverty and, needless to say, the estimated numbers of poor differ depending on the poverty line.

The basis of Statistics Canada poverty line, as it was developed in 1961 and adjusted ever since for changes in the cost of living, was the knowledge from consumer expenditure surveys that the proportion of income spent on food, clothing and shelter increases as income decreases. Low income families spend a greater percentage of their income on the basic necessities of life than do middle and upper income families. The Canadian Council on Social Development's poverty line is based primarily on the relative approach and upon an explicit recognition that reducing the inequality of income in Canada is a paramount goal of income security programs. The poverty line is constructed according to the prevailing value of average Canadian family income. The average Canadian income figure is considered representative of a family of four and the poverty line for a family of four is calculated as 50% of the average income figure. The Senate Committee's poverty line is similar to the Canadian Council on Social Development, but the Senate line makes rough adjustment for income taxes paid and for changes in family size.<sup>1</sup>

According to Statistics Canada, the percentage of poor decreased between 1967 and 1973 from 23.5% to 17.2%. The Senate Committee's poverty line

produces a marginal decrease from 27.5% to 27.4%. But, the Canadian Council on Social Development's poverty line shows a percentage increase from 22.7% to 22.9%.<sup>2</sup> The differences are explained by the different assumptions in each poverty line. In terms of basic food, shelter and clothing the situation of the poor has improved and this is reflected in Statistics Canada's figures. While fewer and fewer are going without the basics, in terms of possessing an adequate quantity of goods and services in relation to what the average Canadian possesses the situation of the poor has not improved. This explains why the poverty lines of The Senate Committee and the Canadian Council on Social Development indicate that between 1967 and 1973 the percentage of the population in poverty has been essentially stable.<sup>3</sup>

In Australia, however, we have, as yet, only one poverty line and that is the one established by the Commission of Inquiry into Poverty. Although it is not an official poverty line, it is the only authoritative poverty line that we have for Australia and for some years will probably provide the basis for determining the extent of poverty in this country. The advantage of the poverty inquiry's poverty line is its cautiousness - if anything the poverty inquiry underestimates the number of poor. This should have the obvious advantage of ensuring public acceptability for the poor of the poverty inquiry are the poorest of the poor.<sup>4</sup>

How many are poor?

The numbers of poor depend on the definition of poverty. Lower the poverty line and you decrease the numbers of poor and the cost of eliminating poverty. Raise the poverty line and you increase the numbers of poor and the cost of eliminating poverty.

In 1975 the Commission of Inquiry into Poverty reported that approximately 750,000 Australians were 'very poor'.<sup>5</sup> The 'very poor' are the group which the poverty inquiry argues that assistance should go to first.<sup>6</sup> But, in addition to the 'very poor' there are also the 'rather poor' and together they make up the poverty inquiry's poor.<sup>7</sup> The 'rather poor' earn an income less than 20% above the poverty line and would increase the percentage of the population in poverty from 10.2% to 17.9%.<sup>8</sup>

The number of poor depends, firstly, on where you draw the poverty line between the poor and the non-poor, secondly, on the economic situation - increasing unemployment will dramatically reduce the incomes of other-

wise non-poor and place them in the poor group and, finally, on when you undertake your research to establish the number of poor.

At the present time, there are 278,010 (4.6%) people registered as unemployed with the Commonwealth Employment Service. But, this broad statistic hides hardship with population sub-groups:

Over 30% of aboriginals are unemployed.

20% of females aged 15-19 are unemployed in some areas.

15% of 15-19 year olds are unemployed.<sup>9</sup>

In a survey of 160 unemployed people last year it was found that all were dependent on unemployment benefit which was below the poverty inquiry's poverty line. One hundred and thirty-nine people who when working earned incomes above the poverty line were now poor. Twenty-one people who when working earned incomes below the poverty line were still poor.<sup>10</sup>

Research in the United States has revealed that the number of poor fluctuates. Surveys of 5,000 families between 1967 and 1972 revealed that only 2.4% were poor for the entire period, 11% were poor in 1967 and 8% were poor in 1972. However, over the five years 21% of the population fell into poverty at least once.<sup>11</sup>

Changes in family and labour force status were found to be crucial determinants of whether or not they were poor.<sup>12</sup>

The Priorities Review Staff has seized on this work to denigrate the poverty inquiry and the alleged seriousness of poverty and argue that poverty is a transitional phenomenon.<sup>13</sup>

This is a mischievous argument, however, for it is based on a poverty line and the assumption that those above that line are not poor. The American researchers admit that their poverty line "is set low in order to identify those whom most people would consider 'poor'"<sup>14</sup> and they admit that the most meaningful categorization of the poor could be on the basis of a concept of permanent income, for example, average income over a number of years or even the lifetime of the individual.<sup>15</sup>

Using a higher cut off point for the poverty line, the numbers of poor increase - 22% were poor in 1967, 17% were poor in 1972, 8% were poor

for the whole six years and 36% were poor for at least one year.<sup>16</sup>

Who are the poor?

If we take the population of Australia and divide the population into sub-groups it is possible to identify those groups most likely to be poor.

According to the poverty inquiry :

1. Nearly three-quarters of those below the poverty line (before housing) were not in the workforce.
2. Overall fatherless families had the largest proportion of very poor people.
3. About one-third of the single aged were very poor before housing. However, less than 10% were very poor after housing, because a large number were home owners.
4. The group with the biggest percentage gap between its income and the poverty line comprised those large families on wages on, or just above the minimum wage.
5. More recent non-British migrants had higher housing costs than any other group - over 12% were very poor after housing.
6. There was significantly more poverty in rural areas on a before-housing basis. After housing, however, the difference was not so great.<sup>17</sup>

110,000 families (7.3% of all families) had incomes below the poverty line and a further 88,000 families (5.9% of all families) had incomes less than 120% of the poverty line.

One parent families and large two parent families are more likely to be poor. The extent of poverty increases with family size - 8.9% of families with four children are very poor and 18.6% with five children or more.<sup>18</sup>

The families in our Family Centre Project were chronically poor. What does it mean to be chronically poor?

A profile of the families would reveal :

1. They are unskilled and semi-skilled.
2. The majority who have worked, have worked as labourers and factory operatives.
3. An overwhelming majority of the workers have unstable work patterns.
4. Many of them are in poor health.
5. They have had little education.
6. They are unable to save and insure.
7. They live in Housing Commission and privately rented accommodation.
8. Their average weekly income is less than the minimum wage.
9. Saving for large expenses is impossible.
10. Saving to meet crises is impossible.
11. Furniture and other household goods have to be bought on hire purchase, or other credit arrangements.
12. The cost of transport, entertainment, baby sitters and holidays is often prohibitive.<sup>19</sup>

Many aboriginal people are in poverty. A Brisbane survey revealed that 44% were very poor and 15% were rather poor - a total poor of 59%. An Adelaide survey revealed that 22% were very poor and 33% were rather poor - a total poor of 55%.<sup>20</sup>

Of migrants who have arrived here since June 1966, 14,000 (9.8%) were below the poverty line before housing. After housing, this increased to 18,000 (12.3%).<sup>21</sup>

Although necessary for effective policies, there are difficulties in categorizing the poor into disability categories. This could encourage the tendencies, for example, to assume that aboriginals are a problem

because they are poor rather than accept that the problem is their poverty. From here, it is easy to blame the victim.

What have we done about poverty?

We are starting to recognize that it exists, that it will not fade away and that its elimination or alleviation will, for the time being, depend on the non-poor.

We also have many 'facts' about poverty thanks to the poverty inquiry. These 'facts' are of two kinds. There are the 'facts' reported in the main report of the inquiry and there are also the 'facts' reported in the independent research studies commissioned by the inquiry.<sup>22</sup>

The poverty inquiry has, in fact, continued the work of Charles Booth in the nineteenth century and Seebohm Rowntree in this century, in their classic studies of poverty in the United Kingdom without departing substantially from their assumptions, descriptions and conclusions.

Professor Henderson has particularly acknowledged his indebtedness to Rowntree :

"This poverty (the poverty of those below an austere poverty line) corresponds closely to what Rowntree in his classic studies of York described as primary poverty, insufficient income however wisely spent to meet basic needs. He also discussed secondary poverty due to unwise spending of an income that would have been sufficient."<sup>23</sup>

Professor Henderson then went on to add that :

"Other writers since then, especially sociologists, have used the term poverty to describe cultural, industrial and social deprivations. These exist and are serious problems but the remedies for them are so different from those needed to deal with primary poverty that I find it confusing to have the word 'poverty' stretched so far. Be that as it may as an economist I find there is justification for concentrating on primary poverty and measures to reduce it."<sup>24</sup>

From this it is clear that Professor Henderson has been conscious of alternative definitions of poverty, alternative assumptions and alternative strategies. He has deliberately chosen to concentrate his

attention on the poorest of the poor, adopted the strategy of a poverty line and a subsistence poverty line at that. For both the poverty line was austere. On this, Rowntree said ;

"It was avowedly a mere subsistence income, not a farthing was allowed in the course of the whole year for anything beyond mere physical needs."<sup>25</sup>

In this respect, Henderson followed Rowntree when he said :

"This is a definition of poverty so austere as, we believe, to make it unchallengeable. No one can seriously argue that those we define as being poor are not so."<sup>26</sup>

Moving on from an austere definition, both believed the solution was non-threatening. Rowntree said :

"We have examined the causes of poverty. Every one is capable of remedy without dislocating industry or our national finances."<sup>27</sup>

In the same way, Henderson said :

"The machinery exists, therefore, for coping with most of the problems of poverty. It can largely be eliminated by quite moderate increases in rates of cash social benefit."<sup>28</sup>

Underlying both these statements is an assumption that poverty should be defined in terms of the extent of political acceptability. The major concern underlying both studies is to maintain the present social arrangements and to introduce reforms at minimal cost to Governments and taxpayers.

I have, in fact, been quoting Henderson from his 1970 publication which reported his earlier 1966 study of poverty in Melbourne. The reason I have done so is to demonstrate that the assumptions learnt from the 1966 study pre-determined and influenced the work and findings of the poverty inquiry. Below are a selection of quotations from the poverty inquiry report presented to the government in 1975:

"It cannot seriously be argued that those below this austere line, whom we describe as 'very poor' are not so."<sup>29</sup>

"We have done this by drawing a 'poverty line' and expressing our results in relation to that line. Those below it we describe as



'very poor', those less than 20 per cent above it as 'rather poor', and both groups together as 'poor'.<sup>30</sup>

From a perspective of austerity and acceptability, the Poverty Inquiry recommended that :

1. We should make a conscious effort to give help first to the poorest and most deprived.
2. We should provide income rather than goods and services to the poor.
3. We should decentralise welfare services as far as possible.<sup>31</sup>

If there are poor then we should aim to at best eliminate and at worst reduce their poverty. The distinction between the 'very poor' and the 'rather poor' becomes harder to justify as they converge towards the poverty line. If the community is unwilling to devote sufficient resources towards eliminating or reducing the poverty of all of the poor and if the community is more accepting of the need to help the 'very poor' rather than the 'rather poor' then the poorest and most deprived should be helped first. The poor should be provided with an income rather than goods and services. But, having received an income the poor will then need goods and services. An austere guaranteed income would be a travesty if the poor were expected to purchase their own medical, educational and welfare needs. Decentralisation should be adopted but at issue is the level of government that decentralisation takes place such as State, local and regional.

The poverty inquiry's recommendations are directed at the relief of poverty and helping the poorest. At a minimum we should act on the basis of the recommendations of the poverty inquiry.

In the long term, we need to recognise that poverty is the result of inherent and structural inequalities and the elimination of poverty depends on identifying and changing the conditions that perpetuate these inequalities. Conditions will not change, however, until attitudes change. This eventually will depend on our willingness to examine, establish and discuss the causes of poverty and confront the logic of our own analysis. Poverty will remain for as long as people are afraid to express their views and concerns and argue for new priorities.

The preface to the poverty inquiry report, unlike the report itself, comments on the elimination rather than the alleviation of poverty :

"... poverty in Australia is inseparable from inequalities firmly entrenched in our social structure. Inequalities of income and wealth 'reinforce and are reinforced by inequalities of educational provision, health standards and care, housing conditions and employment conditions and prospects' to these must be added the difficulties encountered by poor people, not exclusively those with the lowest cash incomes, in gaining knowledge of and access to legal processes. If poverty is seen as a result of structural inequality within society, any serious attempt to eliminate poverty must seek to change those conditions which produces it. Although individual members of society are reluctant to accept responsibility for the existence of poverty, its continuance is a judgement on the society which condones the conditions causing poverty. The elimination of poverty should be a vital national goal."<sup>32</sup>

We need to determine whether or not poverty should be eliminated or alleviated and the possibility and desirability of these ultimately competing goals.

People are basically poor because their income is too low - whether it is received from a low status low-paid job or a subsistence-level social security benefit. The obvious answer then, is to raise their income. But, it is not so simple.

In welfare circles there is increasing support for the introduction of a Guaranteed Minimum Income (G.M.I.). The poverty inquiry, the Australian Council of Social Service, and the Social Welfare Commission have recommended the introduction of a G.M.I.<sup>33</sup> A G.M.I. would establish a minimum income level below which people would not be allowed to fall and the government would guarantee that their income reached this level. The guarantee would depend on family size and family composition. The level of the guarantee would depend on the standard of living criteria chosen.

The most critical issue concerning the G.M.I. is its effect on the work incentive.

Many advocates of a G.M.I. avoid the work incentive issue and are inclined to reassure the sceptics and cynics that the poor do really

want to work. The seriousness of the threat largely depends on the level of the guarantee. The lower the guarantee the less the disincentive. The higher the guarantee the greater the threat to the work incentive. It is possible that with the introduction of a generous G.M.I. a significant number of the work force could choose not to work. Unless we accept this possibility then G.M.I. advocates can, quite rightly, be dismissed as impractical and naive. Having acknowledged this possibility, we need to establish why workers would accept a G.M.I. and withdraw from the work force. At first, the answer seems obvious. Why work if you earn enough money by not working? This is, I suggest, a somewhat simplistic and selective assessment of why people work. Simplistic assessments encourage simplistic solutions. If a G.M.I. encourages people not to work then the simple remedy is to withdraw the G.M.I.

There are difficulties in introducing and administering a G.M.I. and these need to be identified and resolved.

Unfortunately the poverty inquiry :

1. Failed to discuss what was involved in the implementation and administration of its G.M.I. schemes.
2. Failed to discuss alternative G.M.I. schemes.
3. Failed to discuss objections to a G.M.I. scheme.
4. Failed to discuss alternative ways of achieving the objectives of a G.M.I. proposal.
5. Failed to avoid replicating anomalies in the existing income security program.

The failure of the poverty inquiry to discuss the administrative needs of a G.M.I. should not, however, prevent us from supporting a G.M.I. Support for a G.M.I. does not necessitate support for the specific G.M.I. proposals of the poverty inquiry. What needs to be accepted, however, is that a G.M.I. does involve a redistribution of income -not only from the rich but also from the middle class to the poor. But, then, that is what progressive taxation is supposed to achieve and there is a reasonably wide acceptance of the obligation of the affluent to help the needy. The obligation to help the needy is of course, often

qualified by what kind of help is regarded as helping and by whether or not the needy are regarded as deserving or undeserving and by the spillover effects of particular programs.

A crucial difficulty is that many high income earners refuse to admit that they are high income earners. As a consequence bank managers, high school teachers, office managers, lawyers, doctors and university lecturers are often unaware of their relative affluence.<sup>35</sup>

Our experience at the Brotherhood with the poor is of changing family circumstances. You can have uncles and aunts, you can have other children living in the home, you can have a separated woman and a separated man bringing the children of different spouses together and then having their own children or you can have different people coming in as boarders. The household composition and family composition can be complex and varying. The family and the household can and do change over time - even on a weekly basis. The husband could come and go and children can go into institutions or come out of institutions.<sup>35</sup>

A G.M.I. is not, however, a panacea for poverty. It is not, as some have suggested a substitute for other programs. The ultimate purpose of a G.M.I. and other programs should be to reduce dependency. Gans has argued :

"If the prime purpose of research is the elimination of poverty, studies of the poor are not the first order of business at all; data on the extent of poverty, the kinds of poverty and of the life-styles of the poor are much less important than studies of the economy which relegates many people to underemployment and unemployment, and of the society which leaves teenagers and old people without viable economic and social functions. Research on the economy and on the ways of creating jobs and raising incomes is based on the hypothesis that if poor people can be provided with good jobs and satisfactory incomes, they will cease to suffer from the non-economic deprivations of poverty, and will not pass these deprivations on to their children. This is a vitally important hypothesis, and one I share, by and large. I would argue that many if not most of the problems of most poor people can be solved by providing incomes and jobs."<sup>36</sup>

Could poverty virtually be eliminated if there were sufficient good jobs and satisfactory incomes? This, of course, begs the whole question of

what is a good job and what is a satisfactory income. It may sound naive but the lack of money is a basic cause of poverty. This is not to underestimate the real personal problems of being poor but to suggest that these problems will never be resolved unless the poor have income security and with income security many of these problems resolve themselves. Gans went on to argue that a wide range of experiments was needed to study the effects of secure and well paying jobs and guaranteed income without employment.<sup>37</sup>

At the Brotherhood of St Laurence, we have experimented with a G.M.I. and we have also created relatively satisfying employment.

The Family Centre Project was established in November 1972. Up until this time the Brotherhood had an open door policy and an annual caseload of approximately 600 families.<sup>38</sup> These families were economically, socially and personally disadvantaged to a severe and often chronic degree and many of them had built Brotherhood handouts into their patterns of coping with life. The social work service of the Brotherhood was casework oriented, using financial and material aid as a tool.<sup>39</sup>

There was a general feeling of frustration and dissatisfaction and the conviction and knowledge that our assistance for families was superficial and fragmented.<sup>40</sup> It was decided to cease the open door policy and concentrate our resources on helping a small group of families. It was also decided to adopt a 'non problem' orientation which, whilst not ignoring the very real problems, played greater emphasis on the families own initiatives and participation in the self-help process.<sup>41</sup> The approach has been developmental rather than remedial and preventative. In summary the remedial and preventative approach attempts to change the individual or his particular environment, stigmatizes the recipient as different from the rest of society and professionals make the decisions. In contrast, the developmental approach attempts to change society's institutions, leads to self-actualization and decisions are made by the poor.<sup>42</sup>

Over the three and a half years of the project, we can offer certain observations on the work motivation of the men in the project. Before doing so, however, it would be useful, to establish a brief profile of these men. On the whole they are unskilled workers who change jobs frequently. It is usual for the men to hold jobs for only a few months. The most commonly cited reason for leaving jobs is the working conditions.

But, the working conditions in unskilled jobs, with some exceptions, are comparable and yet the men keep returning to the work force or changing jobs. They work not only for the money but also because they feel they ought to work, yet few of the men have seen work as a means of gaining fulfillment.<sup>43</sup>

Is it the work of the workers? We have indications based on our own experience to suggest that if workers are given jobs that are meaningful and satisfying to them then they will work.<sup>44</sup> This is not, however, to ignore the real personal problems of the poor - feelings of helplessness, dependency, inferiority, marginality, resignation and fatalism; limited ability to plan for the future; an unstable, deprived background which did not provide the personal strength or motivation to work constantly. Such personal factors interact with the structure, values and processes of society which operate to perpetuate the disadvantage of the disadvantaged. Housing, education, health, welfare, social values and institutions interlock and trap the poor in their poverty. The poor experience depression and anxiety, insecurity feelings and low self-esteem. But, then they experience eviction threats, poor standard housing and lifetime renting. The poor usually have low social expectations and are passive victims of their circumstances. But, then they have no savings and hire purchase and other debts. The poor fear authority and are unable to use resources. But, then their work is uninteresting and low paid and they suffer periodic unemployment.

As professional staff have left the Family Centre Project, they have been replaced by indigenous workers. All indigenous workers are employed at the same level and at the same rate of pay. There is no doubt that indigenous workers understand the value systems of other poor people better than do middle class professionals.<sup>45</sup>

The support work program provides at low cost to low income earners maintenance, repair and odd jobs which would otherwise not be done. For the present eight workers in the scheme they are developing self-confidence and learning new skills.<sup>46</sup>

With both programs, we have poor people working and working hard whereas in the ordinary labour market they were unable to compete and cope.

What does this tell us about the work incentive of the poor?

When the poor choose not to work it is not simply because of a guaranteed

income but also because of the work opportunities available to them. The poor want to work but in jobs that are meaningful and satisfying to them, and in jobs that are well paid. Research for the W.I.N. program in the United States revealed that there was a 'paucity of jobs available to welfare recipients at a sufficiently high wage level'.<sup>47</sup>

Working conditions are critical in affecting the work incentive of the worker. There are jobs in Melbourne in which the conditions are regarded by C.E.S. staff as so noxious, dangerous and unhealthy that workers who voluntarily leave these jobs are not work tested and denied benefit.<sup>48</sup>

Below poverty line wages are another problem. In writing about the United States, Ostow and Dutka point out that :

"Even under conditions of full employment there are firms, usually small and labor-intensive and operating in competitive product markets, that pay wage rates so low that workers' incomes fall below welfare-eligibility levels."<sup>49</sup>

They are poor despite the fact that they are working. Even using the Henderson poverty inquiry's austere poverty line 110,000 workers were found to be 'very poor' despite the fact that they were working. If you add the 'rather poor' the number is in excess of 200,000.<sup>50</sup>

In 1967, according to the Canadian Senate Committee of the 832,000 families below the poverty line 525,000 heads of families were working for poverty wages.<sup>51</sup>

In the U.S.A. in 1971 75% of all poor, male family heads worked during the year and 51% of those working worked full-time.<sup>52</sup>

At present the poor are unskilled and semi-skilled which means the only jobs they are 'qualified' for are unskilled and semi-skilled jobs. Training and re-training programs are necessary. Training the disadvantaged, however, necessitates some difficult questions. If the unskilled and semi-skilled are trained for skilled jobs who will do the unskilled and semi-skilled jobs? It might be thought desirable to train unskilled workers for semi-skilled jobs, but what if the workers themselves wish to be trained for skilled jobs? Are unskilled jobs and semi-skilled jobs by their very nature inherently dehumanising? If a

basic cause of the disadvantage of the disadvantaged is their low paid and semi-skilled jobs, then is it necessary to eliminate unskilled and semi-skilled jobs? If it is agreed that unskilled and semi-skilled jobs are dehumanising and that it is not possible to eliminate them should we financially compensate the dirty workers?<sup>53</sup>

The Committee of Inquiry into Labour Market Training recognised the difficulties of the unskilled and semi-skilled workers and that the provision of a training program for a particular job did not of itself help the poor, the unemployed poor lack confidence and knowledge, they lack elementary skills and educational prerequisites. These difficulties will have to be overcome if training is to play a role in improving the situation of the disadvantaged worker.<sup>54</sup> Ultimately, it will also have to be recognised that training people for low wage jobs is self-defeating.

In Canada during peak unemployment periods approximately 1% of the total labour force is in training on a full time basis because 'it is cheaper to train people when they are idle'.<sup>55</sup> In Sweden there is a greater emphasis on training than in Canada. In 1972, for example, the number of persons taking part in labour market training schemes was the equivalent of 3% of the total labour force. During 1975 approximately 20,000 persons were trained or in training under N.E.A.T.<sup>57</sup> This compares unfavourably with training statistics for Canada and Sweden. If we were Canada the number would be 60,000. If Sweden the number would be 180,000. For every Australian being retrained there are three Canadians and nine Swedes. In recent months the number of N.E.A.T. trainees has fallen from 7,736 in February to 7,404 in March.<sup>58</sup>

Training itself does not create jobs. Hamermesh, for instance, has suggested that money for training should be increased when the unemployment rate is low and decreased when the unemployment rate is high.<sup>59</sup>

He argues that when the economy is receding firms are ceasing to hire and replace staff and there can, as a consequence, be significant frustration if people are trained and cannot find jobs.<sup>60</sup> The point about training is to improve the skills and job satisfaction of the worker and meet the labour needs of industry. Unless training is directed towards these mutual objectives then it is both extravagant and pointless.

The Government needs to reassess the N.E.A.T. scheme in terms of the needs of the disadvantaged. In-plant training for the unskilled and



semi-skilled should be encouraged when the individual wants it. But, if the unskilled and semi-skilled want to be trained for skilled jobs then we need to create these opportunities by the establishment of appropriate developmental programs that develop the social skills and work skills of the disadvantaged.

Canada has developed combined training and job creation programs for the unemployed. The Social Employment Assistance Program, for instance, aims to provide worthwhile employment for people who would probably otherwise remain unemployed. Proposals for L.E.A.P. projects may originate from non-profit organisations, community or citizen groups, voluntary agencies or individuals. In 1974 150 L.E.A.P. projects were in operation.<sup>61</sup>

The Government has said that some workers will be forced to move to where jobs are. The Government has not said what assistance it will give these workers or to workers who volunteer to move to jobs.<sup>62</sup> In Sweden unemployed persons unable to find jobs in or near their place of residence are given transfer grants. Transfer grants include: a travelling allowance to seek and take up employment or for removal of the family and the transport of household goods, starting allowance to cover expenses during the initial period of new employment, separation allowances if the breadwinner has to be separated from his family and is forced to maintain two households and rent allowance.<sup>63</sup> In Canada there are mobility grants to assist workers to look for jobs in locations other than in or near their place of residence. In 1970-1971 85,000 workers received monthly mobility grants.<sup>64</sup> These grants should be seen as a right.

There are two precedents for such grants in Australia. Under the Structural Adjustment Maintenance Scheme, a Relocation Assistance scheme was introduced for retrenched workers. If a person was retrenched and not able to find employment locally but was able to find suitable employment in a nearby town or interstate then approval was possible for relocation assistance. No pressure was exerted on workers to move to jobs and as of April 1976 only eight workers had been assisted throughout Australia. In addition there is provision to help other workers declared redundant to help them move to jobs. As of April 1976 the numbers assisted under the scheme was under 200.<sup>65</sup>

In deciding to tighten up the work test the Government has, in fact,

made it more difficult for the unemployed to find jobs. Commonwealth Employment Service staff are being heavily involved in administering the work test, instead of concentrating on finding jobs and matching suitable unemployed with suitable jobs. Already, according to the Australian Financial Review, C.E.S. staff have been unable to devote their time to obtaining opportunities for in-plant and on the job training schemes because of the administrative requirements of the work test.<sup>66</sup>

#### Participation and welfare.

A continuing and increasing criticism of the deliverers of welfare services, whether a government department or a voluntary agency, is their failure to involve users.

Somewhat carefully the Health-Welfare Task Force of the Royal Commission on Australian Government Administration has suggested :

"The criticisms suggest a lack of attention to mechanisms of participation, and appear to be made largely by the operators of the system; they reflect feelings that existing and proposed services are not really meeting urgent needs at 'ground level'. Big questions of how participation can occur, who should participate and when, and just what is adequate or 'satisfactory' participation have received little attention."<sup>67</sup>

Participation became an 'in' word with the Labor Government and programs were indiscriminately evoked as participatory. In fact, a close examination of many of these programs would reveal that participation was limited and limiting. The failure of the Labor Government to understand participation does not, however, negate the desirability of extending citizen participation in the development and implementation of policies and programs. Various criticisms can be made of the Australian Assistance Plan, for example, but the plan has broadened public participation in community issues and it is far too early to determine whether or not the long term consequences will see a further broadening of this participation.<sup>68</sup>

It has been suggested that the Administrative Review Committee and the Royal Commission on Australian Government Administration will recommend that all health and welfare services should be handed back to the States

and that the Australian Government should concentrate on a co-ordinating and policy role.<sup>69</sup>

This would be an innovative proposal and it would be a distinct reversal of the trend in recent years towards increasing Australian Government involvement in the provision of health and welfare services.

There is a need, however, to separate the principle of devolution from the practical difficulties of such a devolution. What may seem acceptable in principle may not, in fact, be so realisable in practice.

First, there is the danger that if health and welfare services were transferred to the States we would see a decrease in expenditure on health and welfare services. A decrease not because of greater efficiency but because by devolving administrative responsibility the Australian Government might also devolve to the States the responsibility of securing the necessary funds to maintain and develop such services.

Second, there could develop a disparity between and within States in health and welfare services. People in similar situations would receive differing services depending on which State they lived in.<sup>70</sup>

Third, transferring health and welfare services does not necessarily mean that the service will necessarily be more efficient, accessible and accountable. Criticism of State welfare departments led the poverty inquiry to speculate on whether 'these departments should be confined to their functions of care, protections and control and leave supportive and preventive welfare measures to others.'<sup>71</sup> The poverty inquiry decided, otherwise, however because State involvement was necessary to ensure co-ordination of welfare service delivery.<sup>72</sup>

Whether or not there will be a proposal for the devolution of power from the Australian Government to the State Governments, I would like to raise some issues regarding citizen participation in the development of welfare and health services. Public servants cannot be expected and should not be expected to represent the differing views and interests of the public.<sup>73</sup> The only way these differing views and interests can, in fact, be heard is for the government to give these views and interests access to the decision-makers and access to the decision-making process.

It is the policy of the Liberal National Country party government that

'future policy should be both evolved and evaluated by a combination of expertise from the public service, organisations and consumers'. This process is to be encouraged firstly by a process of consultation secondly, by establishing a framework within which the effectiveness of programs can be evaluated and finally by continuing to encourage research and debate on poverty.<sup>74</sup>

The Government has not spelt out the implications and details of this policy. Let me suggest how the government could involve citizens in the decision-making process.

Firstly, it needs to be recognised that the decision makers are broadly of two kinds - the politicians and the public servants. People should have access to both.

Secondly, participation should be in the decision making process before decisions are made and not afterwards.

Thirdly, consultation should involve a formal process of consultation and not a series of ad hoc consultations. The Minister for Social Security has announced that a National Consultative and State Consultative Committees will be established. There could also be established, for example, a national social development conference.<sup>75</sup>

Fourthly, in order for people to participate constructively they need information and that the onus is on politicians and public servants to provide this information.

Of course, the crunch questions are: Who participates? and Who chooses who participates? I would suggest for example that before the Government decided to further tighten the work test on unemployment benefit it should appoint a task force of community representatives to prepare a report on the work test. Membership of the task force could be chosen from nominated representatives of such groups as the Australian Council of Social Service, the Australian Greek Welfare Society, the Council for the Single Mother and Her Child and the Victorian Employers Federation.<sup>76</sup>

It is our experience with the Family Centre Project that :

1. People are not used to participation. People are conditioned not to participate and into accepting and internalising nonparticipation as normal and natural.

2. Provision of resources is a prerequisite to participation. The extent and nature of participation depends on the resources provided. Provision of resources does not, however, automatically and necessarily produce participation.
3. Participation is a learnt process and consequently participation and the ability to participate varies according to the opportunities each individual has had to learn how to participate.

Pre-participatory or consciousness raising mechanisms are necessary and should be chosen by the participants.

4. Participation without power is empty, frustrating and non-involving. Participation without power is token participation and is a manipulative device to legitimise the policies of the planners, the professionals and the experts.
5. Participation with power is much more complicated, ambivalent and tedious than elitist decision-making. Routine decisions are questioned, conflict escalates, action is delayed and expensive mistakes are made.<sup>77</sup>

What should/could be done to encourage citizen participation in government administration?

- (a) National and local interdepartmental, departmental and 'independent' committee of inquiry should provide avenues for participation in administration.
- (b) Some sections of the community require finance and organising assistance to enable them to participate e.g., the Welfare Rights program.
- (c) Counters should be removed to get rid of the physical separation between 'us' and 'them'.
- (d) Government information should be more freely available. The public has a right to know e.g., Freedom of Information Act.
- (e) Establishment of claimant advisory boards attached to the regional state and federal offices of the Department of Social Security and the Department of Employment and Industrial Relations.

- (f) Individual claimants should have access to their files and the opportunity to photocopy those files.<sup>78</sup>

Finally, a brief comment on ends and means. Too often discussions, policies and decisions about health and welfare issues are about means rather than ends. Of course, there are references to ends but the references are usually vague, imprecise and ambivalent. There needs to be more discussion about goals to enable people to understand the choices. For example, should our primary concern be to ensure a decent and comfortable standard of living for the poor or should our primary concern be the economic well-being of society.<sup>79</sup> The C.E.S. has two clients - the employer and the employee. Are the needs of these two clients compatible? Should firms be allowed to pay low-wages that maintain workers at a subsistence standard of living? Why should society accept goods and services from firms that do not adequately compensate their workers? Are we concerned with improving social conditions or promoting social mobility? Are these different objectives?<sup>80</sup> At the moment, our welfare policies are a victim of these competing priorities. Let us be clear about the real goals of our policies and not pretend to be all things to all people.<sup>81</sup>

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| June 1974 estimated<br>Annual Income | Percentage of<br>taxpayers in<br>this class | Percentage of taxpayers<br>in this and lower<br>classes |
|--------------------------------------|---|---|
| \$1500 or less                       | 8.2   | 8.2   |
| \$1500 to \$3000                     | 17.2  | 25.4  |
| \$3000 to \$4500                     | 20.5  | 45.9  |
| \$4500 to \$6000                     | 19.6  | 65.5  |
| \$6000 to \$9000                     | 23.1  | 88.5  |
| \$9000 to \$12,000                   | 6.9   | 95.4  |
| \$12,000 to \$15,000                 | 2.3   | 97.7  |
| \$15,000 to \$30,000                 | 2.0   | 99.7  |
| \$30,000 to \$45,000                 | 0.2   | 99.9  |
| \$45,000 or more                     | 0.1   | 100.0   |

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